REVIEW OF LITERATURE
CHAPTER - II
REVIEW OF LITERATURE

This chapter was divided into two parts. Part I consists of a critique of central and state Government programs and policies related to the Khadi and Handloom industry in Andhra Pradesh, India and Part II deals with the review of relevant literature supporting the research study.

Part I of this chapter was organized into the following:

2.1 National textile policies
2.1.1. Khadi and Handlooms in five year plans
2.1.2. Central and State Government policies, schemes and implementations in Khadi and Handloom industry.
2.1.3. Reports of various central Government committees on the problems of Khadi and Handloom industry
2.1.4. The present scenario of the Khadi and Handloom industry of Andhra Pradesh, India
2.1.4.1. Khadi Sector of Andhra Pradesh
2.1.4.2 Handloom sector of Andhra Pradesh

Part II of this chapter was organized into the following:

2.2. Theoretical literature
2.2.1. Studies related to weaver
2.2.2. Studies related to the marketing of Khadi and Handlooms
2.2.3. Studies related to the consumerism in the Khadi and Handloom industry
2.3. Research literature
2.3.1 Studies related to weaver
2.3.2. Studies related to the marketing of Khadi and Handlooms
2.3.3. Studies related to the consumerism in the Khadi and Handloom industry
Part I

2.1. National Textile Policies (NTxP) – 2000

The highlights of the National Textile Policies were as follows.

Raw Materials

The thrust will be on improving the availability, productivity and quality of raw materials at reasonable prices for the industry. Necessary capabilities, including research and development facilities for improvement of fibre quality and development of specialised fibres and yarns. The endeavour will be to make available different varieties (from standard to specialised) of textile fibres/yarns of international quality at reasonable prices. The multi-fibre approach of providing full fibre flexibility will be continued. Though cotton is expected to continue to be the dominant fibre, special attention will be given to bring the balance between cotton and non-cotton fibres closer to international trends.

Weaving Sector

Despite a 58 per cent global share of looms, consisting of 3.5 million Handlooms and 1.8 million Powerlooms, technology still remains backward. This sector, critical to the survival of the Indian textile industry and its export thrust, will be rapidly modernised. Clustering of production facilities in the decentralised sector will be encouraged to achieve optimum size and adopt appropriate technology.

The Government will facilitate harmonious development of all the segments of the fabric manufacturing sector. The balanced growth of these sectors will be achieved based on their intrinsic strengths and capacity to meet the demands and requirements of the domestic as well as international markets.

Handloom Industry

The Handloom sector is known for its heritage and the tradition of excellent craftsmanship. It provides livelihood to millions of weavers and crafts persons. Government will continue to accord priority to this sector. Steps would be taken to promote and develop its exclusiveness for the global market. Measures will include the following:
Training modules will be developed for weavers.

Comprehensive welfare measures to the weavers.

Effective support systems in research and development, design inputs, skill upgradation and market linkages will be provided.

The implementation of the Hank Yarn Obligation Order and the Reservation Orders issued under the Handloom (Reservation of Articles for Production) Act 1985 will be reviewed keeping in mind the needs of the Handloom weavers.

Weavers Service Centres will be revamped suitably dovecot-tailed with activities of centres of design excellence like NIFT and NID; as merchandising and marketing will be central to the success; innovative market-oriented schemes will be introduced. Brand equity of Handlooms will be commercially exploited to the extent possible.

2.1.1. KHADI AND HANDLOOMS IN FIVE YEAR PLANS

First Five Year Plan 1951-56 A.D.:

The Handloom production from the Handloom industry was envisaged at 1,700 million yards as against 4,700 million yards for the entire textile industry. The actual achievement at the end of the first five year plan was 1,358 million yards for the year 1955-56 A.D., whereas it was only 843 million yards at the beginning of the plan. For this plan an amount of Rs. 10,781 Lakhs was sanctioned for the Handloom sector and the amount spent was Rs. 969.52 Lakhs.

The Government of India had passed the Cotton Textiles (control) order prohibiting manufacture of certain varieties of fabrics by the textile mills and reserving production of the (11 varieties) same exclusively by the Handlooms. But in practice this order had not been implemented effectively.

Second Five Year Plan 1956-61 A.D.:

The Government of India launched the second five year plan covering the period from 1st April, 1956 to 31st March 1961. An independent position was
carried out for the development of Khadi and Handlooms sector. The target of production from the Handloom sector was fixed at 2,100 million yards by the end of second five year plan out of 8,000 million sq. yards target, of the textile industry. The achievement was 5,136 million yards target of textile industry and 2,592 million yards by Handlooms and Powerlooms.

The total amount of out lay fixed by the planning commission for the second plan was 36.50 Crores and the total expenditure amounted to Rs. 25.48 Crores. The first weavers' service center was started at Bombay in the year 1956 A.D. these weavers' service centers work with the main functions of research and service and training. All India Institute of Handloom Technology were established at Salem and Varanasi in September, 1956 to cater the needs of Southern and Northern States.

**Third Five Year Plan 1961-66 A.D.:**

In the third five year plan emphasis was on integration of Handloom industry with the rural economy. but neglected the need to improve productivity of fabrics on one hand and the weavers welfare on the other hand.. The All India Handloom Board fixed a target of 2,800 million yards for the Handloom sector. The financial provision allotted for the development of Handloom industry in the Third Five Year Plan was Rs. 34 Crores for the States and Rs. 3 Crores for the centrally sponsored schemes.

Exports of Handloom goods increased from Rs. 5 Crores in the year 1961-62 A.D. to about Rs. 12.6 Crores in the year 1965-66 A.D. for making exports to non traditional markets viz., Europe and U.S.A. Compulsory inspection was carried for 152 Lakh Yards in the year 1963 A.D. onwards.

**Annual Plans 1966-67; 1967-68; 1968-69 A.D.:**

An outlay of Rs. 4.90 Crores was earmarked for the Handloom sector in the three annual plans. The production of Handloom fabrics during these periods stood at 3,141 million meters (1966-67), 3,150 million meters (1967-68) and
3,584 million meters in 1968-69. Exports of Handloom products were at Rs. 82 Crores in 1968-69 A.D.

**Fourth Five Year Plan 1969-74 A.D.:**

The Fourth Five Year Plan target of production of fabrics from the decentralized sector was 4,250 million meters whereas the actual production was 3,650 million meters by the end of the plan resulting in short of 600 million meters. The exports of Handloom fabrics surpassed the target to the extent of Rs.17 Crores as against the target of Rs. 15 Crores. An outlay of Rs. 26.48 Crores was envisaged for the development of Handloom industry and the actual expenditure was Rs. 28.57 Crores which is in excess of Rs. 2.09 Crores over the plan out lay.

**Fifth Five Year Plan 1974-75; 1978-79 A.D.:**

The fifth plan financial outlays on Handloom industry are Rs. 37.30 Crores in the central sector and 62.62 Crores in the state sector totaling to 99.92 Crores. By the end of the fifth five year plan period 1979-80 A.D. the production in the Handloom sector went up to 2,900 million meters and the employment coverage increased to 6.15 Lakh persons. The exports from this industry rose to 261 Crores. These achievements were made possible due to the package of various programmes that were implemented following the recommendations of the High Powered study Team. (Sivaraman Committee). By March, 1980 A.D. (end of the fifth plan) out of the existing 30.21 Lakh Handlooms in the country 13.17 Lakh, looms had been brought under Co-operative fold. But, the effective coverage was estimated at about 9.4 Lakhs or 31 per cent as against the Fifth Five Year Plan target of 60 per cent.

The exports of textiles from this sector accounted for more than one-third of the total exports of the country. The production increased from 2,100 million yards in the year 1973-74 A.D. to 2,900 million yards in the year 1979-80 A.D. and exports increased from Rs. 77 Crores to Rs.261 Crores during the year 1974-80 plan periods.
Sixth Five Year Plan 1980-85 A.D.:

With more emphasis on the development of Handlooms in the sixth five year plan, its production was envisaged to increase from 2,900 million meters in 1979-80 A.D. to 4,100 million meters by the end of the plan 1984-85 A.D. this delineates a growth rate of 7.2 per cent per year as against 5.2 per cent during the previous plan.

The employment coverage in Handloom industry is expected to go up from 61.5 Lakh persons to 87 Lakh persons in the sixth plan. On the export front, it is expected that the total Handloom fabrics exports will go up from RS. 261 Crores of the Fifth Plan to Rs. 370 Crores over the Sixth Plan.

The target for the sixth plan was to bring sixty per cent of the Handlooms under effective co-operative coverage. By the end of year 1982-83 about 16.8 Lakh Handlooms have been brought into the Co-operative fold.

About 15,000 looms were modernized during each of the years 1981-'82 and 1982-'83. In this Sixth Plan a new Institute of Handloom Technology was established at Gwahati to cater to the needs of North Eastern Region. The financial outlay for the Handloom industry for the Sixth Five Year Plan 1980-85 was Rs.310.93 Crores in the total outlay of Rs.1, 780.45 Crores for the entire village and small scale industries.

Seventh Five Year Plan 1985-90 A.D.:

The Handlooms Act 1985 aims at protecting millions of weavers from encroachment made on their livelihood by power loom and mill sector. Eleven(11) categories of textile articles are reserved under the provision of the act. Reservation would continue under Handloom (reservation of articles for production) act, 1985. The provision of the Act would be enforced and the machinery for this purpose suitably strengthened, like new spindleage. To improve the welfare of the Handloom weavers a contributory thrift fund scheme and workshed-cum-housing scheme would be taken up in the Seventh Plan).
The target of production of Handloom fabric has been placed at 4,600 million meters and additional employment to be generated has been estimated at 23.47 Lakh persons for the Seventh Plan. Exports of Handloom fabrics and products would increase from Rs. 348.86 crores to Rs. 485 crores.

The quantum of controlled fabric and Janatha fabric which was fixed at 650 million meters shall suitably increased in order to provide a larger quantum of fabric at prices which can be offered by weaker sections of the population. Supply of inputs would be augmented and modernization of looms taken up expeditiously. During the Seventh Plan one Lakh looms were proposed to be modernized, infrastructure for services and training facilities for weavers would be streamlined and strengthened. Measures would be taken to assist Handloom weavers both in co-operative fold and those outside the co-operative fold in supply of inputs.

**Eight Five Year Plan 1992-97 A.D.:**

In the seventh five year plan there was a shortage of Handloom fabric production. The five year plan was mainly favourable to large scale sector and Powerloom sector. At the same time the exports of the Handloom fabric declined. This resulted in more number of the weavers loosing their employment, at the same time there was decline in the number of commercial Handlooms by 9 Lakhs. The Janatha fabric subsidy has been raised from Rs.2.75 per Sq. Meter to Rs. 3.40 per Sq. Meter from July, 1990. there has been a shortfall of production of Janatha fabric which is meant for distribution to weaker sections of the society. In the year, 1991 two new schemes were taken up i.e. 1) one relating to the procurement of Handloom products from North-East and 2) the other relating to Handloom export development.

**Nineth five year plan 1997-2002 A.D.:**

Handloom sector fabric production levels were targeted to increase with the welfare schemes implemented during the previous plan period which are furnished below;
<table>
<thead>
<tr>
<th>Year</th>
<th>Target (mil.sq.mts)</th>
<th>Achievement (mil.sq.mts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>6860</td>
<td>7603</td>
</tr>
<tr>
<td>1998-99</td>
<td>7272</td>
<td>6792</td>
</tr>
<tr>
<td>1999-2000</td>
<td>7708</td>
<td>7352</td>
</tr>
<tr>
<td>2000-2001</td>
<td>8170</td>
<td>7506</td>
</tr>
<tr>
<td>2001-2002</td>
<td>8440</td>
<td>7586</td>
</tr>
</tbody>
</table>

The Handloom Act 1985 was revised vide Handloom Reservation order No.S.O.557 (E) dt.26-7-96 and again amended vide order No.S.O. 408(E) dt 25-4-200, enforcing reservation of eleven articles. The physical and financial progress on implementation of the act was satisfactory. The scheme continues on 100 per cent central funding.

**Tenth Five Year Plan 2002-2007 A.D.:**

The Handloom Reservation Act 1985 was reinforced with effective implementation to reduce unemployment of weavers with Janatha fabric and eleven textile articles.

<table>
<thead>
<tr>
<th>Year</th>
<th>Target (mil.sq.mts)</th>
<th>Achievement (mil.sq.mts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>7,725</td>
<td>5,850</td>
</tr>
<tr>
<td>2003-04</td>
<td>7,960</td>
<td>5,536</td>
</tr>
<tr>
<td>2004-05</td>
<td>8,200</td>
<td>-</td>
</tr>
<tr>
<td>2005-06</td>
<td>8,450</td>
<td>-</td>
</tr>
<tr>
<td>2006-07</td>
<td>8,700</td>
<td>-</td>
</tr>
</tbody>
</table>

During the Xth five year plan period the outlay earmarked was 6.00 Crores, out of which 1.2 Crore was for the year 2004-05, for effective implementation of the scheme at state level marketing promotion programmes: 1) Organizing National Handloom Expos (NHE), 2) Setting up of Urban Haats, 3) Participation in Craft Melas, 4) Setting up of Marketing complexes, 5) Publicity and awareness.
2.1.2. Central and State Government Policies, Schemes and Implementations in Khadi and Handloom Industry

A. GOVERNMENT SCHEMES FOR KHADI WEAVERS

KHADI AND VILLAGE INDUSTRIES COMMISSION

KVIC - Objectives.

1. The social objective of providing employment;
2. The economic objective of producing saleable articles, and
3. The objective of creating self-reliance amongst the people and building up of a strong rural community spirit.

KVIC – Functions:

The KVIC is charged with the planning, promotion, organization and implementation of programmes for the development of Khadi and other village industries in the rural areas in co-ordination with other agencies engaged in rural development wherever necessary. Its functions also comprise building up of a reserve of raw materials and implements for supply to producers, creation of common services facilities for processing of raw materials as semi finished goods and provisions of facilities for marketing of KVI Products apart from organization of training of artisans engaged in these industries and encouragement of co-operative efforts amongst them. To promote the sale and marketing of Khadi or products of village industries or Handicrafts, the KVIC may forge linkage with established marketing agencies wherever necessary and feasible.

The KVIC is also charged with the responsibility of encouraging and promoting research in the production techniques and equipment employed in the Khadi and Village Industries sector and providing facilities for the study of the problems relating to it, including the use of non-conventional energy and electric power with a view to increasing productivity, eliminating drudgery and otherwise enhancing their competitive capacity and arranging for dissemination of salient results obtained from such research.
Further, the KVIC is entrusted with the task of providing financial assistance to institutions and persons through them to engage in the development and operation of Khadi and Village Industries and guiding them through supply of designs, prototypes and other technical information. In implementing KVI activities, the KVIC may take such steps as to ensure genuineness of the products and to set standards of quality and ensure that the products of Khadi and Village Industries do conform to the standards.

The KVIC may also undertake directly or through other agencies, studies concerning the problems of Khadi and Village Industries besides experiments or pilot projects for the development of Khadi and Village Industries. The KVIC is authorized to establish and maintain separate organizations for the purpose of carrying out any or all of the above matters besides carrying out any other matter incidental to its activities. KVIC was changed to CKVI from January 2005 A.D.

ANDHRA PRADESH KHADI AND VILLAGE INDUSTRIES BOARD

Constitution and Objectives:

The Andhra Pradesh Khadi and Village Industries Board was constituted in the year 1959 A.D. with the following main objectives envisaged in the Act.

(i) To provide for marketing facilities for Khadi and Village Industries Products.

(ii) To Encourage and promote Cooperative spirit among the producers of Khadi and Village Industries products by organizing Co-operative Societies and institutions

(iii) To provide employment to the rural artisans/entrepreneurs at their homes thereby arresting the migration of rural population to urban areas.

(iv) To Provide training to the entrepreneurs in the respective trades of Khadi and Village Industries so that they set-up the units and run them independently.

(v) To arrange for publicity and propaganda for the products manufactured in Khadi and Village Industries Sector.

(vi) To build up a reserve of implements and raw materials for supply to the Board assisted units at economical prices.
Sources of Funding

For running and maintenance of the board the State Government provides for the grant for meeting the expenditure on salaries and contingencies. The board also received funds under Plan Section till the year 1993-94 for meeting the expenses on (i) Publicity and Propaganda (ii) Rebate of Khadi retail sales and (iii) Construction of work sheds for the units set-up by the SC/ST Entrepreneurs.

From the year 1995-96, a new approach called project approach according to which the ceiling limit of Rs. 10.00 Lakhs for an individual and Rs. 25.00 Lakhs to a cooperative society/institution has been prescribed for sanction depending upon the project reports applied for.

Previous Performance

Until the year 1994-95, the Board financed 2,309 co-operative societies, 720 institutions and 1.39 Lakh individual entrepreneurs. The total financial assistance rendered towards loans and grants was Rs.81.04 crores creating an employment potential of 2.77 Lakhs.

The Khadi Schemes

1. Rural Employment Generation Scheme (REGP)
2. Margin Money Scheme (MMS)
3. Product Development Design Intervention and Packaging (PRODIP)
4. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)
5. Rural Industry Service Center
6. Insurance for Khadi Artisans-Khadi Karigar Janashree Bhima Yojana
7. Export Intensive Scheme
9. In House Test Laboratory Scheme.
10. Scheme for New Research and Development Projects.
B. GOVERNMENT SCHEMES FOR HANDLOOM WEAVERS

The tradition of weaving by hand constitutes one of the finest technologies, equally rich to present day computer technology and most vibrant aspects of the Indian cultural heritage. The level of artistry and intricacy achieved in the Handloom fabrics is unparalleled and beyond the scope of modern machines. The Handloom can meet every need ranging from the exquisite fabrics, which takes months to weave to popular items of mass production for daily use. The industry is one of the largest and next only to agriculture in providing employment to around 124 Lakh households in weaving and allied activities, with over 35 Lakh Handloom units throughout the country.

The Handloom Schemes

1. Input related schemes: Scheme for supply of Yarn at Mill Gate Price (including operation of Depots/Running of Mobile vans)
2. Development Scheme: Product Package Scheme, Deen Dayal Hathkargha Protsahan Yojana
5. Notification/Orders Concerning the Handloom Sector: a) Handlooms (Reservation of Articles for Production) Act 1985, b) Scheme for Central Assistance to State Governments for setting up of Enforcement Machinery, c) Hank Yarn Packing Notification.
6. Organizations under the Commissionerate and Directorate of Handlooms and Textiles I) Field Officers, a) WSCs / IIHTs, b) Service Charter of Weavers’ Service Centers, c) Modified Decentralized Programme for Handloom Weavers (DTP), d) National Center for Textile Design (NCTD), II) Corporations/Export Promotion Councils/Apex Bodies: a) NHDC, b) HEPC, c) ACASH.
Formation of NHDC

The National Handloom Development Corporation (NHDC) Limited was set up in February, 1983 as a Public Sector Undertaking by the Government of India as an autonomous body under the Companies Act, 1956. NHDC functions under the administrative control of the Office of the Development Commissioner (Handlooms). To strengthen the equity base of NHDC, Government of India has been providing equity @ Rs.1.00 crore every year.

NHDC has been supplying yarn, dyes and chemicals through State Handloom agencies, Apex bodies, Regional Unions, Weavers’ cooperatives, Handloom Development Centres, Handloom Associations and also Handloom manufacturing units engaged in export promotion. It has been procuring yarn of all varieties, such as, cotton, polyester, viscose, blends, woolen, silk, jute, etc., from more than 522 reputed spinning mills and delivering the same to more than 1271 agencies. The activities of the NHDC are intended to achieve the following: A) To ensure the availability of raw materials like yarn, dyes and chemicals and other inputs to Handloom weavers. B) To contribute to the growth of infrastructure and appropriate technology. C) To create marketing opportunities for higher output and to add to marketing opportunities for exports. D) To act as a channel for routing Central Government funds, loans and grants to Handloom Corporations, Co-operative Societies and other bodies or persons engaged in the production and development of Handloom sector.

Handloom Export Promotion Council (HEPC)

The Handloom Export Promotion Council set up in the year 1965 A.D. for promoting the hand-woven products, silk and readymade garments, now works exclusively for export promotion of cotton Handloom fabrics and made-ups. As part of the promotional activities, the council disseminates trade information and intelligence, creates awareness of Indian cotton Handloom products abroad, liaisons with the Government of India on all procedural and policy matters relevant to the Handloom export trade and also organizes business missions, buyer-seller meets apart from participating in the trade fairs abroad.
It is important to note that, Export market is highly competitive, sensitive to fashion and trends, and demands quality and timely delivery. Different countries have different standards, specifications and import tariffs for each item and different colour and design preferences. Each country has different buying seasons influenced by specific colour forecast and product preference.

TABLE 2: HANDLOOM FABRICS EXPORTED—(Export council of India)

<table>
<thead>
<tr>
<th>Fabrics</th>
<th>Value of Exports Over 5 years (Value in Rs. Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Name</td>
<td>Group</td>
</tr>
<tr>
<td>Lungies</td>
<td>16.63 19.00 30.40 17.53 12.14</td>
</tr>
<tr>
<td>Dhoties</td>
<td>40.06 43.14 46.05 46.54 40.23</td>
</tr>
<tr>
<td>Sarees</td>
<td>57.38 78.48 74.88 123.26 339.58</td>
</tr>
<tr>
<td>Shirtings</td>
<td>16.34 12.02 14.78 9.45 10.94</td>
</tr>
<tr>
<td>Furnishings</td>
<td>43.07 37.97 40.00 29.09 51.11</td>
</tr>
<tr>
<td>Other Fabrics</td>
<td>14.28 18.45 15.18 17.51 23.42</td>
</tr>
<tr>
<td>FABRICS TOTAL</td>
<td>315.83 279.42 288.34 253.06 366.53</td>
</tr>
</tbody>
</table>

STATE GOVERNMENT POLICIES AND IMPLEMENTATIONS IN HANDLOOM INDUSTRY

Commissionerate and Directorate of Handlooms and Textiles

The Department of Handlooms and Textiles is concerned with Handlooms, Powerlooms in the Co-operative and decentralized sector and setting up of Apparel and Textile Parks in the garment sector. The Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks Hyderabad, A.P., is charged with the responsibility of supervision over the working of Weavers Cooperative Societies (Cotton and Wool), Apex Societies, Powerloom Societies, implementation of schemes relating to Handlooms and Powerlooms in the cooperative and decentralized sectors and setting up of apparel and textile parks in the garment sector. He is also vested with statutory and regulatory functions such as inspections, enquiries, arbitrations, executions, and liquidations under Andhra Pradesh
Cooperative Societies Act 1964. He is assisted by officers of various categories at district and field level. He is the Registrar of co-operative societies under the A.P.C.S. Act for all purposes so far as the Handloom co-operatives are concerned.

The department has also established one Indian Institute of Handloom Technology, Venkatagiri on the model of the Institute at Salem in Tamil Nadu. The Institute at Venkatagiri started functioning from the year 1992 and offering diploma course of three years in Handloom technology. All the developmental schemes are implemented through the district offices/ regional offices. Each district office is headed by one Asst. Director (Handlooms & Textiles) with supporting staff. Each regional office is headed by a Deputy Director (H&T) with necessary supporting staff. This is in addition to the technical and other supporting staff employed by the apex organisation, i.e. APCO and consulting organisation like National Institute of Fashion Technology.

**Formation of APCO**

The Andhra Pradesh State Handloom Weavers' Co-operative Society, Hyderabad, popularly known as APCO was formed in the year 1975-76 by amalgamation of the three Apex institutions in the state. It made significant progress especially in solving the major problem of marketing of Handloom fabrics. This apex institution has received constant state support. This is rendering effective service to their affiliated societies by way of contribution to their share capital and assistance for opening sale depots, showrooms as well as rebate on sales of Handloom fabrics. To achieve the main objective of marketing, the fabric procured from the affiliated primaries, the Andhra Pradesh State Handloom Weavers' Co-operative Society (APCO) runs as many as 431 sales depots both in and outside the state. It also helps the primary weaver's co-operative societies by supplying raw materials like yarn, dyes and chemicals etc.

**Andhra Pradesh State Textile Development Corporation**

The Andhra Pradesh State Textile Development Corporation was established during the year 1875. The main objectives of this corporation are to promote, own,
aid, assist rehabilitation, growth and development of Handloom and Powerloom industry with in and outside the cooperative fold and to manufacture and export all types of garments. The paid-up share capital stood at Rs. 301.15 Lakhs whereas the authorized paid-up share capital is Rs.400 Lakhs. It has 13 production centers and the corporation is providing employment to about 12,900 weavers in the state, who are outside the co-operative fold. The corporation has been entrusted with the production of 10.17 Lakhs of Janatha Sarees and Dhotis during the year 1991-92. The corporation has achieved a record production of 8.6 Lakhs Sarees and 9.19 Lakh Dhotis during the year 1992-93, and reached a target of tens of Lakhs by the year 2005-2006.

2.1.3. Reports of Various Central Government Committees on the Problems of Khadi and Handloom Industry


On December 1973, the Government of India appointed Sivaraman Committee to make an in-depth study of the problems of the Handloom industry. The high power study team made an in-depth enquiry into the various problems of the industry and suggested several measures.

a) Provision of adequate quantities of yarn.

b) Modernization of Handlooms where necessary to make production more efficient.

c) Organization of training.

d) Organization of credit required by the weavers.

e) Arrangement for the marketing of not less than 50 per cent of the production and, of required by the weavers, 100 per cent of the production.

f) Organization of extension service for passing as higher levels of technology in Handlooms to weavers and

g) Maintenance of raw materials bank to ensure continuous supply of yarn, dyes and chemical and if necessary organization of suitable dyeing unit to support the production programme.
2.1.3.2. The 20-Point Economic Programme-1975 A.D.: 

The 20 point economic programme was announced on 1st July 1975. The ninth point of the 20-Point Economic programme deals with the Handloom industry. The main aim of the programme relating to Handloom industry is to rehabilitate the industry and to improve the lot of the weavers. The plan for development of Handlooms involved;

a) Extension of coverage by Handlooms Co-operatives,
b) Intensive development of 5,000 to 10,000 Handlooms each outside the Co-operative fold in compact geographical areas and
c) Setting up of a number of export oriented pilot production centers.

2.1.3.3. The Abid Hussain Committee Report on Handloom Industry-1988 A.D.: 

The Government of India appointed the Abid Hussain Committee in the year 1988. The main aim of the appointment of the committee is to analyze the problems raised in the industry after the Textile Policy 1985 announced on May, 1988. The committee submitted its report in January 1990.

The committee suggested opening new institutions like Apex Cotton Development and Technology; area based Textile Restructuring Assets Trust (TRATS), Apex Textile Restructuring Agony (ATRA) area based, and Handloom Promotion Agencies - National Handloom Development Authority, Powerloom area Development Corporation. Labour enforcement and welfare agency as a subsidiary of the Powerloom area development corporation etc. Keeping in view the various recommendations of the Abid Hussain Committee, the Government of India evolved a new textile policy in the year 1991.
2.1.4. The Present Scenario of the Khadi and Handloom Industry of Andhra Pradesh, India

2.1.4.1. Khadi Sector of Andhra Pradesh

The Khadi and Village Industries Commission (KVIC) is a statutory body established by an Act of Parliament (No. 61 of 1956, as amended by act no. 12 of 1987 and Act No.10 of 2006 which works under Ministry of Agro and rural industries, Government of India. In April 1957 A.D. it took over the work of former All India Khadi and Village Industries Board. The Directorate of Publicity publishes two monthly magazines namely Jagriti and Khadi Gramodyog in English and Hindi. Since Khadi is essentially a fabric, the soft twist imparted by the hand maintains the yarn hairiness to an extent, which gives maximum comfort. The loom used in weaving of Khadi interlaces the threads in a manner that allows maximum air to permeate to body and soothes the body better than any other fabric does. No wonder Khadi is acknowledged as one of the coolest and most comfortable fabric ever known. Environment and Ecology occupy a prominent place among the key focal issues faced by the world today. In an era of degenerating environment, efforts are on to produce 100 per cent Eco-friendly textiles where, even the cotton will be grown without chemical fertilizers. But, surprisingly, this is already being done in India in the form of Ponduru Khadi which is produced from wild varieties of cotton found in the mountain terrain of Eastern part of Andhra Pradesh, in the South of India.

Since Khadi deals in natural fibres viz. cotton, silk and wool only, spun and woven in natural environment, it can boast of being 100 per cent natural, unlike Handloom and Mill sectors which receive cotton yarn blended with some regenerated cellulose fibres. Khadi dyed in Natural dyes also makes a perfect combination for a green fabric.

The main office of Khadi and Village Industries Commission (KVIC) is located at Gandhibhavan, Hyderabad, Andhra Pradesh and the regional office is located at Vishakapatnam which monitors the five districts namely, East Godavari, West Godavari, Vishakapatnam, Vizayanagaram, Srikakulum and all other districts work under the supervision of Head office, Hyderabad. There are a total of 39 Khadi
institutions working under the head office and 10 Khadi institutions working under
the regional office and 200 Khadi Bhandars. Director’s duty includes quarterly visit to
Khadi institutions. Testing of the Khadi fabrics is carried out at Khadi Gramodyog
Prayog Samithi, Gandhi ashram, Ahmedabad. Colorfastness, purity of Khadi yarn,
crease recovery test (WRA), ends/inch, picks/inch etc are tested at this samithi.
Research work is carried out at Directorate of Science and Technology, KVIC,
Mumbai. Zari is supplied from Resham Khadi Gramoghyog Sangham, Surat for silk
Sarees and Dhotis. Raw material cotton Roving is supplied from Central Sliver Plant
located at Chitradurga, Karnataka, Tirkur, Kerala, Shagur, Madhya Pradesh,
Raibaraili, Uttar Pradesh. Metpalli, Wavilal, Bhagyanagar, Guntur institutions have
own processing units from blow room to drawing/roving. Multi-disciplinary Training
centres, one at each state. Mahavidhyalaya, Rajendranagar Khadi Gramodyog,
Rangareddy, gives training in spinning. Weaving Training centres are located one at
Bangalore, and another Darvaninagar. Training is given at National Institute of Rural
Development, National Institute of Small Industry Extension Training (NISIET),
administrative staff college of India (ASCI) for staff and officers. Those who take
training for New Model Charkha (NMC) at Rajendranagar will be posted as
instructors at all other training centers. 25 spinners at each NMC unit will be trained.

All the employees are named as “Karyakarthas”. Karyakartha’s commission of
40 per cent of their gross pay is paid to them once in a year and a medical aid of
Rs.300/- per annum is reimbursed. Also, two pairs of dresses, one pair of Chappal or
shoe (products of respective samithi only) are given once in a year as dress allowance
to all the employees. Contributed provident fund facility of 12 per cent per month is
given to each one of them. Pension facility was introduced from the year 1995 A.D.
only which ranges from Rs.465 to Rs.500 per month after retirement. A gratuity of 15
days per year is given to the employees at the time of retirement. Education fund of
Rs.250/- and eye glasses will be provided to the weavers whenever required and
Rs. 250/- is given in case of death. Every person is provided with medical assistance
by the samithi whenever required.

Cost chart of KVIC specifies the norms of cost and quality of each fabric.
KVIC has signed a memorandum of understanding (MoU) with the Hyderabad based
NISIET a pioneering organisation of the ministry of small-scale industries and agro
and rural industries of the Indian government actively involved in enterprise promotion. The principal director NISIET says that as a part of the agreement KVIC will soon set up technical back-up units (TBC/Interface) covering the entire country. The objective of setting up this TBU/Interface is to trigger off and strengthen rural industrialisation through timely, continuous and appropriate measures like providing science and technology inputs, research and development, support, innovative ideas, technical backup, technologies for value-addition, strengthen academic-industry linkages and offering quality control assurance including development of quality standards.

**TABLE 3: CONSOLIDATED PRODUCTION AND SALES PARTICULARS OF KHADI FABRICS OF ANDHRA PRADESH DURING YEAR 2002-05**

<table>
<thead>
<tr>
<th></th>
<th>2002-03</th>
<th>2003-04</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRODUCTION</strong></td>
<td><strong>SALE</strong></td>
<td><strong>PRODUCTION</strong></td>
<td><strong>SALE</strong></td>
</tr>
<tr>
<td>KHADI</td>
<td>1250.22</td>
<td>1501.59</td>
<td>1149.82</td>
</tr>
<tr>
<td>POLYVASTRA</td>
<td>55.40</td>
<td>74.11</td>
<td>65.06</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1305.62</td>
<td>1575.70</td>
<td>1214.88</td>
</tr>
</tbody>
</table>

**NOTE:** INCREASE IN SALE IS DUE TO INCREASE IN WHOLESALE TO GOVERNMENT OFFICES LIKE RAILWAYS

2.1.4.2 Handloom Sector of Andhra Pradesh

The total numbers of looms are 1,00,979 of which 42,243 are working and 58,737 are idle. The total Handloom fabric production is 519.84 Lakh meters of value Rs.21,241.80 Lakhs. Total Handloom production in co-operative fold is 240.51 Lakh meters of value Rs.11,630.73. The number of weavers in co-operative fold are 1,03,262, outside co-operative fold are 1,18,022 amounting to a total of 2,21,190 in Andhra Pradesh. Through thrift fund security scheme, 8 per cent of wages are remitted from weaver, state and central Government will add 4 per cent each and given to the weavers. Under the cluster initiative scheme of the Central Government various clusters are identified among which Madhavaram is taken for cluster
development initiative which will be implemented through commissioner Handlooms and Textiles in collaboration with N.I.F.T. and weavers service center.

Marketing of Handlooms operates in two sectors namely cooperative and non-cooperative or private sector. In cooperative sector, the products are sold to apex organizations like APCO, retail sales through their own retail outlets and participation in exhibitions, buyer-seller meets. The marketing through apex organizations is supported by Government marketing incentive schemes like 10, 20 and 30 per cent discounts to the consumers reimbursed by the Government to the societies. The products are should fulfill the specifications given by the apex organization. There is always demand for products made by society as there will be quality, ensured dimensions of length and width, fabric count of 80s/80s, colourfastness and innovative designs developed through design development schemes.

In non-cooperative or private sector, the products are sold through participation in local Sandis, selling to wholesale merchants within the state or outside the state and participation in private exhibitions. It is observed that the weaver gets mostly job work based on the moving orders for the products. To sustain in the market length will be less by 4” and width less by 1-2”. Less number of Picks and ends per inch are lessened in the fabric count in order save in the raw material cost. Colourfastness is not ensured and Naphthol dyes are used in the dyeing process.
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SRIKAKULAM</td>
<td>214.89</td>
<td>230.90</td>
<td>199.60</td>
<td>184.40</td>
<td>358.50</td>
<td>358.50</td>
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<td>2</td>
<td>VIZIANAGARAM</td>
<td>22.93</td>
<td>29.06</td>
<td>24.72</td>
<td>38.37</td>
<td>31.78</td>
<td>45.30</td>
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<td>3</td>
<td>VISAKHAPATNAM</td>
<td>58.83</td>
<td>70.06</td>
<td>22.5</td>
<td>28.52</td>
<td>37.59</td>
<td>47.10</td>
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<tr>
<td>4</td>
<td>E. GODAVARI</td>
<td>1023.58</td>
<td>635.43</td>
<td>1143.16</td>
<td>616.77</td>
<td>1217.76</td>
<td>1357.02</td>
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<tr>
<td>5</td>
<td>W. GODAVARI</td>
<td>31.87</td>
<td>38.54</td>
<td>60.71</td>
<td>64.82</td>
<td>81.12</td>
<td>99.52</td>
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<td>6</td>
<td>KRISHNA</td>
<td>68.64</td>
<td>117.88</td>
<td>787.88</td>
<td>945.55</td>
<td>868.34</td>
<td>949.30</td>
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<td>7</td>
<td>GUNTUR</td>
<td>271.66</td>
<td>320.15</td>
<td>317.36</td>
<td>383.85</td>
<td>474.73</td>
<td>506.45</td>
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<td>8</td>
<td>PRAKASHAM</td>
<td>69.93</td>
<td>79.80</td>
<td>137.55</td>
<td>158.21</td>
<td>198.60</td>
<td>151.72</td>
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<td>9</td>
<td>NELLORE</td>
<td>68.01</td>
<td>68.46</td>
<td>173.13</td>
<td>211.86</td>
<td>197.41</td>
<td>213.45</td>
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<td>10</td>
<td>CHITTOOR</td>
<td>120.23</td>
<td>120.00</td>
<td>178.87</td>
<td>193.39</td>
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<td>11</td>
<td>KADAPA</td>
<td>1359.00</td>
<td>16.16</td>
<td>3351.29</td>
<td>3448.65</td>
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<td>KURNOOL</td>
<td>180.82</td>
<td>317.42</td>
<td>339.08</td>
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<td>13</td>
<td>ANANTHAPUR</td>
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<td>1893.2</td>
<td>2301.22</td>
<td>2384.58</td>
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<tr>
<td>14</td>
<td>HYDERABAD</td>
<td>0.12</td>
<td>0.11</td>
<td>1.95</td>
<td>1.86</td>
<td>2.78</td>
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<tr>
<td>15</td>
<td>RANGAREDDY</td>
<td>0.85</td>
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<td>15.51</td>
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<tr>
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<td>MAHABOONNAGAR</td>
<td>375.01</td>
<td>263.27</td>
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<td>334.11</td>
<td>302.24</td>
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<tr>
<td>17</td>
<td>NALGONDA</td>
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<td>748.95</td>
<td>889.34</td>
<td>753.02</td>
<td>1610.78</td>
<td>1330.45</td>
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<td>18</td>
<td>WARANGAL</td>
<td>245.81</td>
<td>26.49</td>
<td>327.66</td>
<td>391.90</td>
<td>422.4</td>
<td>469.33</td>
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<tr>
<td>19</td>
<td>KHAMAM</td>
<td>25.21</td>
<td>264.62</td>
<td>26.58</td>
<td>29.78</td>
<td>25.9</td>
<td>28.77</td>
</tr>
<tr>
<td>20</td>
<td>KARIMNAGAR</td>
<td>1452.60</td>
<td>1247.41</td>
<td>1143.80</td>
<td>1160.74</td>
<td>1324.30</td>
<td>960.74</td>
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<tr>
<td>21</td>
<td>MEDAK</td>
<td>13.34</td>
<td>111.11</td>
<td>38.67</td>
<td>37.35</td>
<td>46.43</td>
<td>35.39</td>
</tr>
<tr>
<td>22</td>
<td>NIZAMABAD</td>
<td>17.52</td>
<td>22.43</td>
<td>27.48</td>
<td>25.37</td>
<td>31.40</td>
<td>29.74</td>
</tr>
<tr>
<td>23</td>
<td>ADILABAD</td>
<td>37.47</td>
<td>37.94</td>
<td>62.09</td>
<td>49.95</td>
<td>42.09</td>
<td>39.61</td>
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<td>TOTAL</td>
<td></td>
<td>8085.38</td>
<td>6660.1</td>
<td>11970.5</td>
<td>11949.1</td>
<td>15744.81</td>
<td>15614.5</td>
</tr>
</tbody>
</table>
Part II

2.2 Theoretical Literature

2.2.1. Theoretical Studies Related to Weaver

The Handloom industry was the largest cottage industry until the advent of British into the country. The decentralized Handloom industry had high employment potential next to agriculture and met one third of the total fabric requirements of the country. Middle East and European countries were the important foreign markets to which the country used to export Handloom textiles of high quality.

The spinning wheel and its product “Khadi” adopted by Indian National Congress, gained a special recognition as weapon against foreign rule/British rule and also as poverty alleviation tools. In 1921 AD by its Bejawada resolution, the All India Congress Committee demanded not only the collection of one Crore of rupees for the Tilak Swaraj Fund but also the introduction of twenty Lakhs of spinning wheels to enable a successful boycott of foreign fabric to be effected. National schools and vidhyapiths which were opened in the year 1921 A.D. made spinning an important and compulsory subject in their curricula. The congress committee devoted a large amount out of the Tilak Swaraj Fund to the revival and encouragement of hand spinning and hand weaving. Gandhiji’s satyagrahashram at sabarmathi became a research institute for it. Gandhiji insisted that congress workers should become spinning experts and all ashrams should become centers for spreading spinning and weaving Khadi. Much impetus was given to the use of Khadi.

After independence, The Indian Handloom industry, in the 20th century was hit by competition from the country’s own Powerlooms. The weavers became unorganized, vulnerable, rendered idle and unemployed. A class of middlemen weavers came into existence known as master-weavers and yarn dealers, mahajans who exploited the innocent weavers by extracting more work and paying disproportionately less than living wages. The acute problems of the weavers then were loss of foreign market, import of cotton yarn and textiles, inadequate supply of raw materials, multiplicity of middlemen, lack of working capital finance, establishment of textiles mills in India, and the severe competition etc.
With the advent and growth of textile mills, weavers gradually began to leave the traditional weaving occupations. The consumer's preference to mill made fabric resulted in reduced demand for Handloom goods because of the mill made goods were not only superior in quality but low in price. The tools used and the methods of production of Handloom fabrics were old and outmoded. In addition to them, there were no effective steps and organization amongst the Handloom weavers.

### 2.2.2. Theoretical Studies on Marketing of Khadi and Handlooms

The Indian textile industry is valued at US$ 36 bn with exports totaling to US$ 17 bn in the year 2005-2006. At the global level, India's textile exports account to just 4.72 per cent of global textile and clothing exports. The export basket includes a wide range of items including cotton yarn and fabrics, man-made yarn and fabrics, wool and silk fabrics, made-ups and a variety of garments. The heart burning situation is that the man made fibres like Khadi and silk hand made fabrics like hand woven fabrics never gone to export beyond US$1.5 to 2.0 bn. Quota constraints and shortcomings in producing value-added fabrics and garments and the absence of contemporary design facilities are some of the challenges that have impacted textile exports from India.

The variations in products. There are two variations in the products

1. **Product line**: is a group of products that are closely related because they satisfy a class of needs, are used together, are sold to the same customer group, and distributed through the same type of outlets or fall with in a given price range. And

2. **Product mix**: the number of product lines offered by a company.

<table>
<thead>
<tr>
<th>Table 5: Segment-wise Exports, 2002-2006 (US$ bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category</strong></td>
</tr>
<tr>
<td>Cotton Textiles</td>
</tr>
<tr>
<td>Manmade Textiles</td>
</tr>
<tr>
<td>Silk</td>
</tr>
<tr>
<td>Wool</td>
</tr>
<tr>
<td>Ready Made Garments</td>
</tr>
<tr>
<td>Handicrafts</td>
</tr>
<tr>
<td>Jute</td>
</tr>
<tr>
<td>Coir &amp; Coir Manufactures</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>
Marketing in a borderless Economic World

Global marketing has and continues to be affected by a growing borderless economic world. Four trends in the past decade have significantly influenced the landscape of global marketing.

Trend 1: global decline of economic protectionism by individual countries
Trend 2: formal economic integration and free trade among nations
Trend 3: global competition among global companies for global customers
Trend 4: development of networked global market places.

E-market places: virtual organizational markets. A significant development in organization buying has been the creation of online trading communities, called e-market places that bring together buyers and suppliers organizations. These online communities go by a variety of names, including B2B exchanges and e-hubs and make possible the real-time exchange of information, money, products and service. E-market places can be independent trading communities or private exchanges. Independent e-market places act as a neutral third-party and provide an internet technology trading platform and a centralized market that enable exchanges between buyers and seller. They change a feel for their service and exist in settings that have one or more following features:

1. Thousands of geographically dispersed buyers and seller
2. Volatile prices caused by demand and supply fluctuations
3. Time sensitivity due to perishable offerings and changing technologies and
4. Easily comparable offerings between a variety of suppliers.

Well known independent e-market places include plastics Net (Plastics), Free markets (industrial parts, raw materials and commodities) and XSAg.com (Agricultural Products). Small business buyers and seller, in particular benefit from independent e-market places. These e-market places offer them an economical way to expand their customer base and reduce the cost of products and services. e-Bay recently launched eBayBusiness to serve the small business market in the United States. One can learn about how B2B exchanges work and eBay-Business in the accompanying Web Link.

Online auctions in organizational markets
Many e-market places offer two general types of auctions
a) A traditional auction and
b) A reverse auction

In a traditional auction a seller puts an item up for sale and would-be buyers are invited to bid in competition with each other. More the would-be buyers involved, there is an upward pressure on bid prices. The auction ends when a single bidder
remains and 'wins' the item with its highest price. For example, eBayBusiness uses a traditional auction. Traditional auctions are also used to dispose off excess merchandise. For example, www.dellauction.com, a reverse auction works in the opposite direction from a traditional auction. A buyer communicates a need for a product or service and would-be suppliers are invited to bid in competition with each other. As more would-be suppliers become involved there is a downward pressure in bid prices for buyer’s business. The auction ends when a single bidder remains and ‘wins’ the business with its lowest prices. Reverse auctions benefit organizational buyers by reducing the cost of their purchases. Ex: Global Exchange Service which runs online reverse auction, claims it saved General Electric US$ 780 million on the purchase of $billion worth of products and services.

2.2.3. Theoretical Studies on Consumerism in the Khadi and Handloom Industry

Global consumers consist of consumer groups living in many countries or regions of the world who have similar needs of seek similar features and benefits from products or services. Evidences suggest that the emergence of a global middle-income class, a youth market, and an elite segment, each consuming or using a common assortment of products and services, regardless of geographic location. A variety of companies have capitalized on the global consumer. Whirlpool, Sony, and IKEA have benefited from the growing global middle-income class desire for kitchen appliances, consumer electronics, and home furnishings respectively. Levi’s, Nike, Coca-Cola and Benetton have tapped the global youth market. DeBeers, Chanel, Gucci, RollsRoyce and Sotheby’s and Christie’s, the world’s largest fine art and antique auction houses, cater to the Elite segment for luxury goods worldwide.

Consumer products and cultural meanings:

Consumer goods and services play a number of roles in the lives of consumers based on the perceived benefits of the items. One role is that these are transmitters of cultural meaning. Values, norms, beliefs, mores. Conventions, rituals, symbols and the like give meaning to a culture. They are often reflected in the consume goods of the society.
Advertising and fashion not only carry values, norms, or beliefs but also play a significant role in modeling culturally meaningful behaviour. The ‘fashion system’ is a phase that is much broader than clothing. It includes the newspapers, magazines, television shows, radio shows and the people who inhabit them, the current opinion leaders, and the various sub-cultural or fringe groups of individuals. What is culturally appropriate in the way of lifestyle, clothing, passions and behaviours can be seen with a look at Vanity Fair, or people magazine or watch fazier, days of our lives, cosby or Mtv on television. Such meanings are transferred to individual consumers through the possession and/or use of the products.

<table>
<thead>
<tr>
<th>Culturally constituted world</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising/fashion system</td>
</tr>
<tr>
<td>Possession</td>
</tr>
<tr>
<td>Ritual</td>
</tr>
</tbody>
</table>

**Part III**

**2.3. Research Literature**

**2.3.1. Research Studies Related to Weaver**

Sanju shisodia in CRISIL report presented data on textiles at a glance in India and reported that Handloom sector provided employment to 38.91 Lakh persons in 2004-05 compared to 19.03 Lakhs in powerloom sector. The textile exports accounted to US$ 13.1 billions and imports were only US$ 2.2 billions. This picture clarified that India is self sufficient in domestic market of textiles. (87)

Asha Krishna Kumar interviewed, Rosemary Crill, curator of Indian Textiles of Victoria and Albert museum in London and documented. She was of the opinion that the resilience of the weavers, which had seen them through the last two decades is waning: the skills are vanishing. She says that Handlooms can be survived and sustained in India by government aggressively creating markets for it with in the country and providing design in puts for weavers. (4)
Sheela B. in her article on “Development of small-scale industries - a collaborative approach” was of the opinion that, ‘despite the steady growth in the small-scale sector as reported by Government statistics, there is the need for innovative strategies to promote long-term sustainable growth. To combat periodic recessions, the need of the hour is a collaborative approach between the centre and state government, local industry associations and the small-scale units. Such a public-private partnership (PPP) will help erase substantially present constraints faced by small-scale units in areas of manpower availability, infrastructure and access to credit’. (92)

Kanakalatha M. and SyamaSundari B. opined that, ‘Handloom co-operatives in Andhra Pradesh-traditionally the major Handloom weaving region of India are in decline. On the basis of case studies of four weavers’ co-operative societies and other data the article finds that competition from Powerlooms can only partly explain the decline of Handlooms, as there is a new and growing market for Handloom. By far the more serious reason is politicization of co-operative societies and Government and bureaucratic control’. (57)

Srinivasulu K. expressed his opinion based on census that a phenomenal raise in the number of idle looms estimated to be at 2.97 Lakhs. It is necessary to note that loomlessness and loom idleness are two aspects of the processes of displacement, migration- occupational shift being experienced by the weaver community. When a weaver has no work leaves his native place and migrates to a Handloom centre to work as a wage labour with a master weaver. So he becomes loomless as his loom was left back home becomes idle. (98)

Laxminarasaiah and Thandavakrishna in their study in Prakasam district of A.P.on crisis of hand loom industry found that 10 Lakh people depend on Handlooms with annual production of 480 mill.mts. fabric. The state Govt. recognized the pivotal role of it, as a livelihood to 10 per cent population, planned to bring into organized co-operative sector, with share capital, marketing, rebates and spent Rs. 2,424 Lakhs in VIII plan period. The all India scenario makes clear that 51 per cent are full time weavers and 49 per cent are part time weavers. The same picture exists with preparatory process of Handlooms. The number of days a loom kept idle range from
60 days in a year accounting to 10 per cent of total looms. And 50 per cent looms are kept idle more than average idle days. More number of weavers under cooperatives and master weavers are having full time capacity of work, as all the facilities are provided by masters. Indebtedness among weavers even for 10 long years is common due to no work. The loans are mostly taken from masters for a high interest also, though loans without interest are not uncommon. (48)

Mamtha A. and Shailaja D. Naik depicted a picture of the problems of Handloom weavers of Andhra Pradesh based on a study. Hitches to raw material procurement, low productivity and financial bottlenecks are a few of the problems affecting the lives of Handloom weavers of Andhra Pradesh. (50)

Supriya Roy C. in her article on “industrial restructuring, Unions and the State textile mill workers in Ahmedabad” expressed her ideas as, ‘organized labour in India is generally believed to have an edge over other groups in collective bargaining strength, in its access to political power holders who determine the scale and allocation of social, security’. (8)

Kanakalatha M. in her article on “Indian textile industry in 17th and 18th centuries Structure, Organisation and Responses” expressed her views as ‘In pre-industrial India textile production followed agriculture as the most productive sector, and by the early years of the 18th century it was virtually clothing the world’. (58)

Jain L.C. in his article on “Handlooms face liquidation – Powerlooms mock at Yojana bhavan” was of the opinion that, ‘A substantial portion of Powerloom production of fabric’, is well known, is shown as Handloom production. This is not an innocent error; it is a smoke-screen for concealing the cannibalization of Handlooms by Powerlooms. The resultant loss of employment in weavers’ households is unimaginable; and one-half of those who lose their jobs are women since women engage in pre-weaving process and in certain areas, in weaving as well. In the face of the systematic destruction of Handlooms, if the number of those below the poverty line in the country is growing, a major culprit is thoughtless, cruel and unwanted mechanization’. (32)
Noorbasha A. in his publication on “Handlooms in Distress” expressed that, with the withdrawal of several subsidies so far enjoyed by the Handloom sector ad especially by winding up the Janatha fabric scheme which not only provided cheap fabric but also employed the vulnerable section of weavers, the old and low-skilled, the new economic reforms have contributed to the worsening of conditions in the Handloom sector. (65)

Streefkerk H. and Anjan Kumar D. in their article on “Weavers, Traders and the state Handloom Weaving in Bangladesh” reported the fate of Handloom weavers in Tantigram and Tangali district north of Dacca. The conclusions of the study are set out in the final section VI Handloom weavers were perceived ten years ago as a lucrative profession as owners of looms. Now majority left the craft to become rickshaw pullers, hawkers and petty traders.(99)

Attwood D.W., Baviskar B. S. and Shanti George in their “Co-operatives in anthropological perspective- report of a symposium on co-operatvies and rural development” refers Suraj Bandopadhyay and Donald Von Eschin 1985 reports. In their study it was found that state sponsored cooperatives were a failure, but there was no informal cooperation to provide a foundation for in all villages of west Bengal. Also referred D.W. Atwood studies in Maharashtra about the successful cooperative sugar factories based on local initiative in forming alliances among large and small cane growers. The ability of local leaders / elders to forge such a success alliance can be traced to indigenous stratification system.(5)

2.3.2. Research Studies Related to the Marketing of Khadi and Handlooms

Singla R. and Chowdhary G. conducted survey at Modasa of Gujarat and stated that, Khadi which has such a national significance and a rich texture is still unpreferred by many because of poor garment quality, non standardization of garments and poor design features. They were of the opinion that, merchandise is limited to their own outlets only so, new linkages be initiated with khaddar, Khadi outlets to increase the demand of readymade Khadi garments and to generate employment in villages. (95)
Kapadia R. and Gohel M. conducted survey at Gondal of Gujarat for Khadi garments. Post project survey strongly indicates that the texture of Khadi is well accepted among the Khadi users and improvement is required in the area of patterns, garment construction, finishing fabric and packaging. Manufacturing plant is proposed for Udhyog Bharti Gondal to manufacture shirts and kurtas with install capacity 16,000 pcs/month with installation of 45 machines.(37)

Prasad Rao Y. and Krishna Naik C.N. studied the “Marketing of Handlooms” in Kurnool district of Andhra Pradesh., and expressed that many of the Handloom weavers 29.66 per cent are producing the traditional designs only, 43.36 per cent produce modern designs. The consumers are also interested to purchase the time tested durability and quality fabrics. Only few designs are deleted from production such as sarees offered to village level Gods in annual Jatharas. (72)

Kanakalatha M. et al. studied “Traditional industry in the new market economy-the cotton Handlooms of Andhra Pradesh” through field surveys and case study method in the 10 districts of Andhra Pradesh. She concluded that, it would be unrealistic to out-compete Powerlooms in some markets. But, there is distinctly a large market which can be served and exploited by the Handloom sector. Perhaps Cooperatives were vulnerable because they were not formed by weavers coming together with common interest, but were created by Government authority. Yet, it is very clear that cooperatives should remain the major activity for protecting the workers. Such cooperatives function as autonomous economic enterprises and are able to compete in the market. (59)

Jalpa Shah in his article on quota free markets presented the weaknesses of India. Due to sharp rise in wages in Asian countries gives India a competitive advantage contributing to its cost of production. On the other hand, in India garment workers barely work from 10 a.m. to 6 p.m. for 5 days a week and spent half the work time wastefully. Compared to China, India pro-labour laws are responsible for its downfall.(33)
Rajagopalan opined that marketing of Khadi fabric has become a problem. Each Khadi institution was having unsold fabric worth of crores of rupees. So, production of Khadi fabric, quantity wise has declined though Khadi institutions do provide employment to 60 Lakh persons in rural India. Somehow sale of Khadi fabric is restricted to the Rebate season, which lasts for 90 days a year. (74)

Ramachander S. was of the opinion that, brands are considered by the marketer as “vehicles for superior value delivery” from his point of view. In any free market one must deliver competitive, long term consumer value with one’s own products, a precondition for retailing consumer and survival. Brands are however, fundamentally not so much premium or image or profitability as about relationships. Relationships are strange only when found on mutual trust, which is shaped by experience and perception. Brands are the glue that binds the relationship between the marketer and the user. (77)

Jyotsna R. was of the opinion that, enhanced emphasis on export-driven industrial growth underscores the need for development of technological capabilities and upgrading and improved competitiveness in manufacturing sector. (76)

Rajat A. and Sugata M. opined that, with the possible exception of the East Asian countries, increased foreign trade and investment have increased wage inequality in almost all parts of the globe during the last two decades of the 20th century. Theoretically as well as empirically Heckscher-Ohlin-Samuelson model of trade, the original H-O model assumed that the only difference between countries was the relative abundances of labor and capital. The original Heckscher-Ohlin model contained two countries, and had two commodities that could be produced. Since there are two (homogeneous) factors of production this model is sometimes called the “2×2×2 model”; With the Stolper-Samuelson result at its core, fails to explain such widening of wage gap between skilled and unskilled labour particularly in the south. This paper discusses alternative variants of the specific factor model accounting for the diverse trade pattern, informal factor markets and existence of non-trade goods that can help our understanding of the wage gap phenomenon. (75)
Vikram M. Mohite in his article highlighted evolution and importance of e-commerce in the modern world. According to the author, e-commerce is a system which help buying and selling of products/services via computer networks. It provides quick and home sitting service along with paperless transactions. The author is optimistic about the use and spread of e-commerce in the Indian market. (107)

Sathapathy C. explained about the implication of rapid advances in technology and commerce in the form of the coming together or mobile telecommunications and the internet have progressive effect for the state. A discussion of the role of Government under three broad domains: e-taxation, e-regulation, and e-governances were detailed. (88)

Md. Shawquatul M. explained the idea of co-operative marketing has been utilized in different countries of South-west Asia. A wide range of co-operative marketing practices in respect of formation, legal status, types, structural patterns, membership criteria, functional management and performance have been found in different South East Countries. These practices render many useful lessons which may be used in organizing the co-operative marketing movement in a less developed country like Bangladesh to help improve the economic lot of the poor sections of society. (51)

Sharada, V. and P.A.P. Patil have traced the growth and development of the co-operative movement in Dharwad district of Karnataka in almost every sector of the economy. The salient features of the co-operative movement namely the activities in diversified fields and strength of membership has been highlighted. The authors emphasize the need for co-operatives to be free from the influence of vested interest groups, refrain from excessive state aid and ensure the introduction of professional into the co-operative sector. (91)

Rao, V.M. explained the functioning of an all women Handlooms and Handicrafts co-operative society in a north eastern state is analyzed in the case. The society is being run under the guidance of an able and dedicated leader who hails from the same region. The society helped many poor and helpless girls through
providing employment and income generating activities. It has helped in developing self esteem in those girl members. (83)

Mehta S.S. and Dinesh H. discussed the closure of industrial units in developing economies many lead to serious consequences since their limited investible resources and relatively limited alternative employment opportunities cannot easily absorb resultant loss of jobs, production and revenue. Moreover, the present legal and institutional framework to deal with the problem of industrial sickness in India has been found inadequate, particularly in protecting the interests of the workers. The textile crisis in Gujarat makes the inadequacies of present framework quiet glaring. (52)

Pankaj N. and Naithani S. presented a general total quality management (TQM) model for co-operatives so as to generate interest in co-operative leaders and policy makers to look upon the factors which need immediate attention for achieving excellence by cooperatives in economic terms. The process of benchmarking which is used for implementing TQM in business organizations is also discussed in detail. The proposed model can be adopted after required modifications as per the objectives, nature and core functions of the co-operatives under consideration. (67)

Patil Y.S. explains Management of Information Systems is the lever of cooperative organization, which covers the all comer flow of informations. The use of computer helps in providing correct and timely information to management for decision making. It also helps in billing and accounting of transactions. The study reveals the effectiveness of computerization in Gokul Dairy-Kolhapur. The computer based MIS gives benefits to all – the organization, the employees, the management and the members. (70)

John G. and Nicholas B. studied traditional Indian textiles, and they were of the opinion that, ‘Pochampalli and its surrounding villages have very active co-operatives and private master weavers. The main bulk of private sector production is of saris, and the co-ops produce both saris and yardage. Probably because of the comparative youth of the ikat industry, the Pochampalli weaving centres are some of the most outward-looking of all traditional textile producers in India. There is a good local and
all-India market for saris, though the women of Andhra Pradesh do not provide such an overwhelmingly strong local market as in Orissa. Much of the yardage is aimed at export trade. Traditional ikat fabrics of Andhra Pradesh use at the most three colours, forming simple geometric designs and, as in Orissa, are woven on pit looms. (35)

Omkar G. was of opinion that, the organized cotton mill sector no longer occupies the ‘commanding heights’ of the Indian textile industry; that role has been taken over by the apparently decentralized Powerloom sector which accounts for at least 48 per cent of the country’s textile output, with the composite cotton mills coming a poor second. Also, the share of the mill sector in total fabric output has been falling rapidly. Among the composite mills, two-thirds or more of the units are indubitably sick and have been incurring case losses. Only the Powerloom sector and the pure spinning units seem to be doing well. (28)

In his analysis of factors relating to the supply side in the second section, the author attempts to explain three important developments: (1) the lack of modernization in the composite mill sector, (2) the ascendancy of Powerlooms over composite mills, and (3) the decline in the market share of the Handloom sector. The paper concludes with some comments on the 1985 Textile Policy. (28)

Annual survey of industries on employment in the year 2006-07 revealed that Handloom sector is one the largest economic activities providing employment to 124 Lakh persons in weaving and allied activities. As a result of state intervention through financial assistance for the development and welfare of Handloom sector, the production levels went upto 5,536 mill.sq.mts. during 2003-04, as against 500 mill.sq.mts. in early fifties. Handloom sector accounts for 13.12 per cent of total cotton fabrics produced in the country. (26)

Seemanthini N., narrating about the Handloom fabric market, expressed that with the entry of transnational corporations into Indian retail market, the rules of the marketing game are changing fast. This extends to (1) style of presentation (for example: shop interiors), 2) articles sold (whether it is processed food or shoes). This changing scenario has tended the traditional hand woven fabrics (Handlooms) and other artisan products as peripheral to, rather than a part of daily life use, leading to
"regulation crisis" where existing institutions, no longer secure a workable match between production and consumption of goods. The themes dealing with Handloom fabrics raises myriad problems for the modern retailers, since these fabrics do not confirm to mass production norms (say, speedy delivery). This has also fuelled the perception that Handloom fabrics suits only to a limited, elite niche market only and so, it should build on the "tradition identity" to target overseas markets as well. (103)

Case study made by Clothesline states that, KVIC started its single outlet experiment at Delhi's Posh Khan market. The first air-conditioned shop opened here in May 2001: selling Khadi muslin garments designed by high profile designers like Rohit Bal and Malani Ramani.; in addition to a well package range of ayurvedic products. It was a run away success, with Delhi's elite thronging the shop. KVIC wants to identify new markets and tap them with its products, test marketing efforts are already delivering goods to south Africa, Dubai and few overseas markets. (15)

Kaushal Sampat narrated that the Major export destinations for India's textile and apparel products are the US and EU, which together accounted for over 75 per cent of demand. Exports to the US have further increased since 2005, post the termination of the MFA. Analysis of trade figures by the US Census Bureau shows that post-MFA, imports from India into the US have been nearly 27 per cent higher than in the corresponding period in 2004-05.(40)

Guido Fioretti explained that, "When production is carried out by many geographically clustered small firms specialized in particular production phases that subcontract one another, what are the prospects of B2B electronic commerce. Prato, Italy, is home to thousands of textile firms as well as the locus of an early and innovative experiment of a local electronic network in the mid-1980s. This experience suggests that, since they fear to be imitated by their geographical proximates, geographically clustered firms may lag behind in the exploitation of information and communication technologies. An analysis of the Web sites of Pratese firms confirms this intuition. A similar investigation is carried out on Web sites of fabrics producers worldwide. Contrary to Europe, in Asian countries geographically clustered firms
exhibit little fear of information leakages. Differences in the organization of production may explain this puzzle. (30)

2.3. Research Studies on Consumerism in the Khadi and Handloom Industry

Murali p. and Himachalam D. in their study reviewed the democratic management practices of consumer co-operatives in Andhra Pradesh are reviewed to identify their problems and offer suggestions to overcome them, and improve the governance of co-operatives. To safeguard consumers’ interests, consumer co-operatives have to exert themselves greatly in the market milieu. As they are voluntary associations of consumers formed for their own benefit, it is the consumers’ responsibility to develop their societies systematically by their active involvement and participation in all business activities and decision-making. Only then their governance would be truly democratic and fruitful. However, in reality the involvement of consumers has been very negligible, as revealed in the empirical study undertaken in Andhra Pradesh. It is equally important to involve women and youth in co-operatives. Only when consumers develop a sense of belongingness, co-operatives can progress and fulfill their objectives. (60)

Seemanthini Niranjana et.al. reported that the Handlooms and the products are extremely diversified in terms of product range from coarse fabrics for local market needs to a range medium and fine fabric for a large urban market. Each region is known for specific product, unique in style and design for special occasions and auspicious functions. (104)

Sanju shisodia presenting the crisil research report on consuming classes of India vs China reported that consumers of Textiles in the age group of less than 24 years were the highest number in India compared to China. Regarding the domestic demand theme, she explained that, there was increase in size of consuming class, due to increase in income levels and due to higher female working population, whose proportion during 1961 was only 12 per cent and now grown up to 27 per cent by 2005. (87)
Figure 2: Building a strong brand customer relationship is indispensable, Suresh Kumar (2005)

<table>
<thead>
<tr>
<th>Item code (1)</th>
<th>Item (2)</th>
<th>ANDHRA PRADESH</th>
<th>Quantity (3)</th>
<th>Value (4)</th>
<th>No. of reporting/1000 households (5)</th>
<th>Households consumption sample households (6)</th>
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<tbody>
<tr>
<td>360</td>
<td>Dhoti (m)</td>
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<td>0.06</td>
<td>1.71</td>
<td>381</td>
<td>2111</td>
</tr>
<tr>
<td>361</td>
<td>Sari (m)</td>
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<td>0.22</td>
<td>8.38</td>
<td>877</td>
<td>4671</td>
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<td>362</td>
<td>Fabrics for Shirt, Pyjama, Salwar etc. (m)</td>
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</tr>
<tr>
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<td>Fabrics for coat, trousers, overcoat (m)</td>
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<td>3.98</td>
<td>617</td>
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<td>Lungi (no.)</td>
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<td>366</td>
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<td>0.84</td>
<td>586</td>
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<td>1.65</td>
<td>610</td>
<td>3208</td>
</tr>
<tr>
<td>367</td>
<td>Under Garments etc. (no.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>368</td>
<td>Ready-made garments (no.)</td>
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<td>2535</td>
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<td>373</td>
<td>Fabrics : others</td>
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<td>1.07</td>
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<td>379</td>
<td>Fabrics : S. t (360-373)</td>
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<td></td>
<td>28.01</td>
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<td>5009</td>
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<tr>
<td>380</td>
<td>Bed Sheet, Bed Cover (no.)</td>
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<td>0.00</td>
<td>0.60</td>
<td>145</td>
<td>877</td>
</tr>
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</table>


Rajagopalan was of the opinion that, so many goods are being advertised through television. This media has tremendous impact on the people. The middle class consumers are always in need of more goods get influenced by television media publicity. In such situation Rajgopalan feels it is difficult to persuade them for adopting a simple life style of wearing Khadi and Handloom fabrics. (74)
Sheila Payne explaining about refunding in delivering customer service was of the opinion that, if sincere service and goods given away to keep the customer happy, you won't be doing your company any favours. Only do this as a last resort and with permission from a senior member of staff. If you have no other option, there has to be a happy medium between customer and company. (71)

Paco Underhill in his Strategic Marketing report of KSA Technopak India Pvt. Limited, report that the most obvious arena for touch and trial is clothing. It's a truism that improving the quality of dressing rooms increases sales. The dressing room is not a convenience. It is a selling tool, like a window display or advertising. Shopper conversion increases by 50 per cent when there is a staff-initiated contact and by 100 per cent when there is a staff-initiated contact with use of the dressing room. The furnishings of the trial room should be what you would want in your boudoir, the lighting should make everyone look like a million bucks and the mirrors should be large, plentiful and first-rate. This is after all the 'closing point' of the sale. (66)

Men v/s Women:

Most purchasing traditionally falls to women and they usually do it willingly. They take pride in their ability to shop prudently and well. Almost all women go to the supermarket armed with a shopping list. Less than a quarter of men do. 86 per cent of women look at price tags while only 72 per cent of the men do. Ignoring the price tag is almost a measure of male virility. There is a high level of impulse buying (almost 60 to 70 per cent for both sexes).

Women love the experience of shopping whereas men love the thrill of paying. Male love of technology and gadgetry of course can put women shoppers to shame. Men hate to ask directions or for help, but they like to get their information first-hand as from written material, instructional videos or computer screens. If a retailer were to put up a women's clothing store next to a computer software store, both the sexes would be most grateful. Children consume even more mass media than adults. The marketplace wants kids, needs kids and children are flattered by the invitation and want to oblige.(66)